


Sanitized Copy Approved for  
Release 2011/01/07 : 

CIA-RDP85T00875R00150003

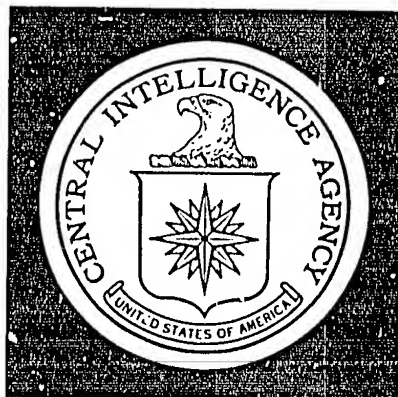
Sanitized Copy Approved for  
Release 2011/01/07 :

CIA-RDP85T00875R00150003



**Secret**

25X1



DIRECTORATE OF  
INTELLIGENCE

# *WEEKLY SUMMARY*

## *Special Report*

*Constitutional Revision in the Philippines*

**DSB FILE COPY  
RETURN TO 1E-61**

**Secret**

**№ 664**

**11 June 1971  
No. 0374/71A**

**Page Denied**

SECRET

25X1

## CONSTITUTIONAL REVISION IN THE PHILIPPINES

The constitutional convention that convened in Manila on 1 June is the culmination of years of growing Philippine sentiment favoring constitutional revision. The present constitution, drafted in 1935 by an assembly very much susceptible to the "guidance" of American authority, was subject to final approval by President Roosevelt. Following World War II, the constitution was amended at US insistence in the context of a complicated economic, transitional arrangement to include provisions favoring American investment. Many Filipinos understandably regard this constitution as a colonial document and, in their minds, this alone necessitates the present constitutional convention.

There is, however, another factor far more important to the background of this convention—popular disenchantment with the domestic political status quo. Since congress in March 1967 first put the machinery for constitutional revision in motion, the prospect of a convention has generated considerable enthusiasm and interest among moderate students, the liberal activist wing of the Roman Catholic Church, the urban intelligentsia and, in general, the Filipino middle class.

25X6

Such introspection and critical self-examination hopefully mark the start of a real step away from the emotional Philippine conviction that the country's problems and weakness derive from its colonial legacy and from its continuing "imperialistic" exploitation—a colonial mentality that has hindered Filipino political development. Nevertheless, the enthusiasm that has built up around the constitutional convention appears to be largely naive and misplaced. There seems to be a widespread expectation within reformist circles that the convention will prove to have an almost mystical cathartic effect on Philippine politics—an idea that by replacing one constitution with another the many flaws of the political system can be erased.

In actuality, the failures of the system are not rooted in the existing constitution but rather in the ingrained characteristics of Philippine society. Although the Philippines has the trappings of democracy—free elections and the regular constitutional transfer of power—the Filipino society and economy remain largely under the control of wealthy families, both long pre-eminent and newly rich. With its deep roots in Philippine society, this oligarchical establishment has nearly monopolized political life. Politicians are preoccupied with ensuring that the benefits of office accrue to themselves and their families. Nepotism and the abuses associated with it are condoned if not demanded by social mores.

25X6

Everything about the system acts to negate a sense of responsibility as regards the national interest and the general welfare, and it is this, rather than a constitutional problem, that is the basic obstacle to good government in the Philippines.

Special Report

- 1 -

11 June 1971

SECRET

SECRET

25X1

Although the convention will serve as a sounding board for reformist views, the last word on important decisions will be had by the political establishment and President Marcos himself. The conservative, entrenched oligarchy will not stubbornly resist and defeat all efforts at reform during the convention. On the contrary, constitutional reform has become fashionable, and everyone is for it, including the establishment, although to different extents and for different reasons. The convention may enact legal and technical reforms by the score. It remains to be seen, however, how much constitutional reform can do to alter long-standing political patterns.

When Filipino reformers talk of change and reform, what they really want is the development of a new breed of political leadership—politicians with a sense of integrity and social conscience who will either transform or destroy the traditional political system. This new leadership is not presently in sight, and will emerge more from an evolutionary process than from constitution writing.

There are, of course, positive aspects to the convention. Within certain limits it is a serious effort at self-correction. The process of revision, however, could be far more important than the end product. Throughout the discussion and debate that has already taken place and will continue on the convention floor, Philippine leaders hopefully will gain a better understanding of the social and political pressures building within Philippine society and perhaps develop the beginnings of a social conscience.

It is difficult, however, to escape the conclusion that the exercise in constitutional reform could result in more harm than good. In the enthusiasm surrounding the convention, it has become common to hear public figures proclaim that the convention represents the last opportunity for peaceful evolutionary change in the Philippines. Regardless of how ideal a constitution the convention produces, however, Philippine politics are not going to be transformed. The unrealistic hopes and expectations being generated by the convention could turn into a backlash of disillusionment and a loss of faith in the system's capacity for self-reform. In particular, if President Marcos' actions confirm suspicions that he intends to manipulate the constitutional convention into extending his term of office, popular reaction will be sharp. Just how serious a backlash develops, however, will depend in large part on what the convention does with regard to the future political ambitions of President Marcos and his wife.

*The Principal Issues:  
Marcos and the Presidency*

Presidential reform is the most publicized issue the convention will tackle. It is also certain to be the most politically significant and controversial item, because sentiment for presidential

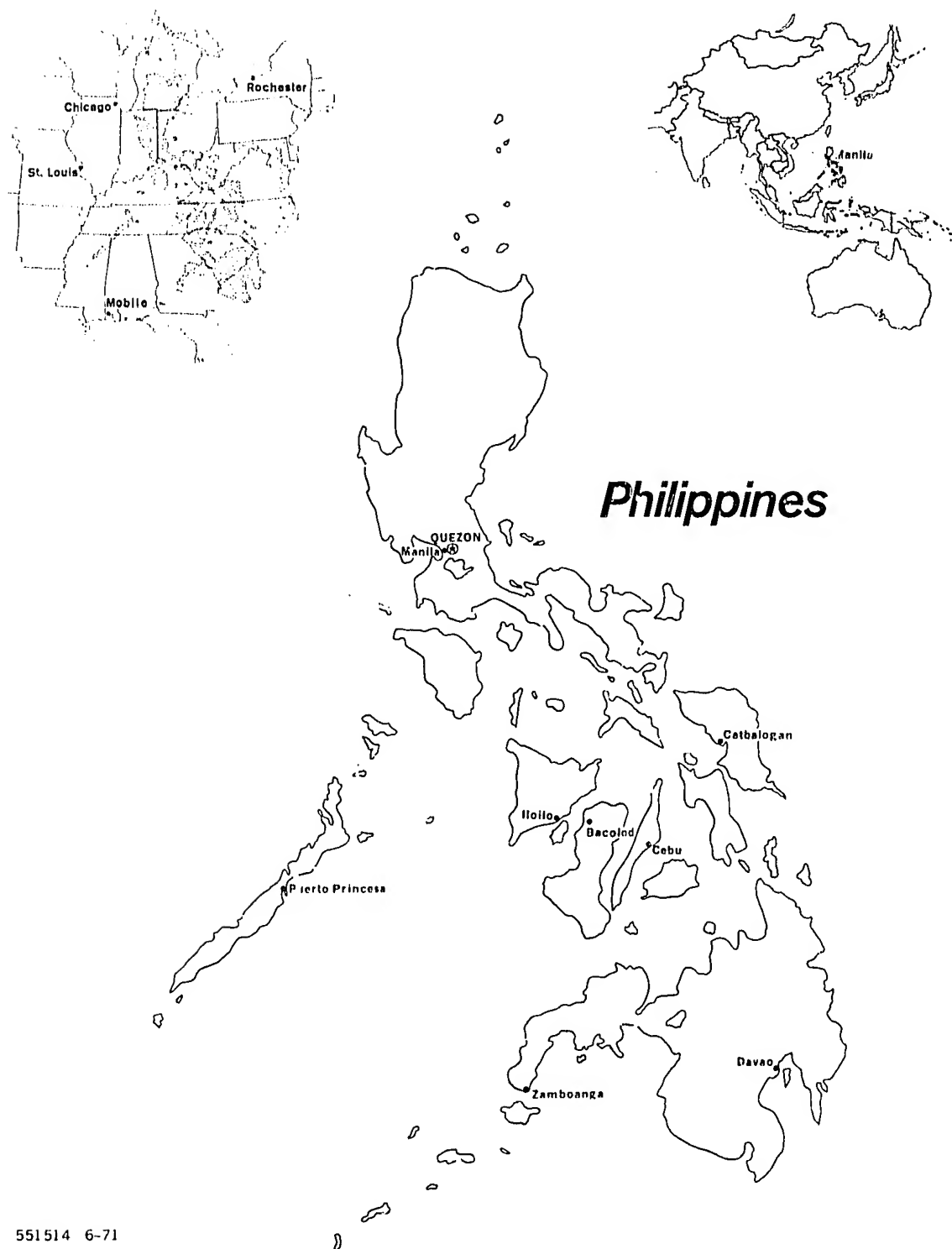
reform is inextricably bound up in the current wave of popular revulsion against the Marcos administration and the President's apparent determination to continue in power.

Anti-Marcos feeling has been rising sharply since the 1969 presidential elections. In becoming

SECRET

SECRET

25X1



551514 6-71

Special Report

- 3 -

11 June 1971

SECRET

SECRET

25X1

the first Philippine president to win a second term, Marcos resorted to coercion and corruption on a grand scale. The landslide proportion of his victory was not credible to the most naive observer, and the misuse of public funds on his behalf was a significant factor in bringing the Philippine Government to the verge of bankruptcy. This revelation of the enormous powers that can be wielded by an incumbent president acted as a catalyst on the reform movement and greatly increased the impetus for constitutional change. Since then, Marcos' cynical and insensitive handling of student protest, the nation's continuing economic difficulties, and his generally defensive and uncertain leadership have further lessened his reputation. Recently Marcos has attempted to improve his image by calling for a "democratic revolution" and declaring war against "pressure groups" and "oligarchies." This has been embarrassingly unconvincing. In regard to the reform movement Marcos is suffering from what, in popular terms, can only be called a monumental credibility gap.

Much of the anti-Marcos feeling is being generated not within the reform movement but within the Philippine political establishment. In Manila the crescendo of anti-Marcos vituperation in the establishment-controlled press is intense. Marcos is finding himself increasingly a target as he moves further into what is his final term under the present constitution and as his opponents redouble their efforts to prepare the way for future victory for themselves. The Liberal Party, enfeebled by infighting and eclipsed by the powerful political machine Marcos has developed over the past six years, now is making every effort to construct new coalitions against the President. Many of the senior members of his own Nacionalista Party are themselves in open opposition or engaged in secret conspiracies with the Liberals. In response Marcos is now completing a purge of the Nacionalista leadership designed to remove or neutralize all those not totally loyal, and especially those who might have presidential aspirations of their own. In a country where party affiliation has never meant much, the political

establishment now seems to be split into two general groups—those who support Marcos and those, regardless of party label, who oppose him.

All of this has been enough to forge an obvious if somewhat fragile common interest between reformers and politicians out of power. They are agreed that the power of the presidency has become too strong and could be leading to the perpetuation of a Marcos "dynasty." In the ongoing public debate on presidential reform, a broad consensus appears to have been reached favoring a single six-year term without re-election, as opposed to the present four-year term with possible re-election to a second term. The anti-Marcos opposition is insisting that the single-term stipulation should apply to Marcos, thus making him ineligible for re-election in the first presidential race under the new constitution. Aside from getting rid of Marcos, reformists hope that a single-term presidency in the future will limit the attractiveness of the presidency, or at least the damage an unscrupulous incumbent could do. There is also a measure of public support for barring close relatives of an incumbent president from running for the office. This is patently aimed at the first lady, Mrs. Imelda Marcos, an ambitious, strong-willed woman, who, many Filipinos fear, harbors ambitions to follow her husband in the presidency.

25X1

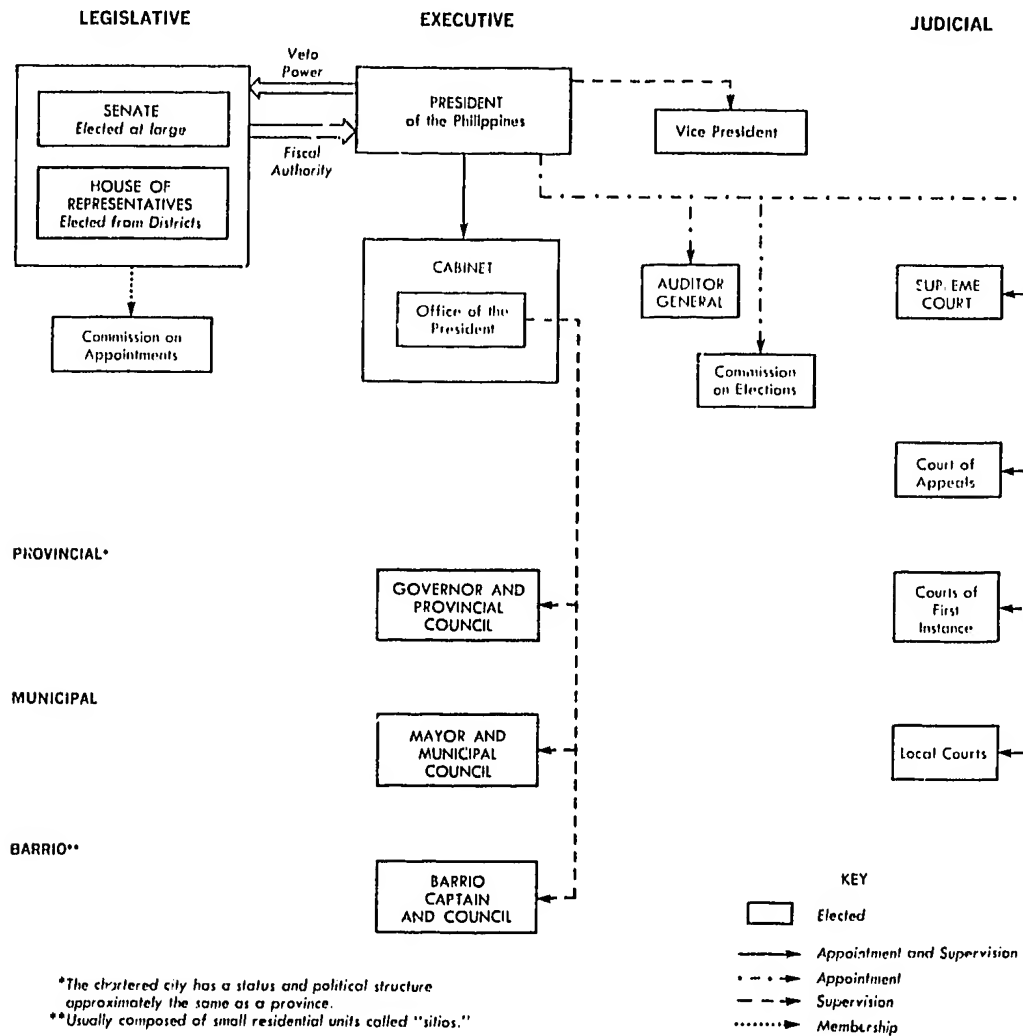
What started out as a nagging suspicion among anti-Marcos forces that the President would attempt to tailor the presidential clause of the new constitution to his own advantage has turned into something approaching sullen certainty. Despite public denials of any interest in the presidency following the expiration of his term in 1973, Marcos, [redacted] has made it clear that he is not reconciled to a lame-duck role. Instead of seeing the constitutional convention as the capstone of his career, he appears to see it as an opportunity to gain further time in office. In talks with convention delegates and confidants, Marcos has expressed his approval and support for the six-year single term. [redacted]

25X1

SECRET

**SECRET**

25X1

**Structure of the Philippine Government**

551518 6-71 CIA

25X1

Special Report

- 5 -

11 June 1971

**SECRET**



SECRET

25X1

25X1

Despite his efforts to line up convention delegates, however, it is by no means certain that Marcos has decided on how hard to push his preference to stay in office. He has not yet been able to get a clear picture of how serious the opposition to an extension of his tenure would be. His decision may not be reached until he assesses the showing of the candidates he backs in next November's congressional elections.

Aside from the central question of presidential term, widespread public support has developed for limiting or removing some of the specific powers of the executive. Under the present constitution, a president of the Philippines, less encumbered by effective checks and balances than is a US president, can in many instances act more arbitrarily. Without concurrence by congress, he can suspend the writ of habeas corpus, declare martial law, and in times of national emergency exercise legislative power. Reformers would like to remove or weaken such powers. The president now has sweeping powers of appointment at the national level. Reformers would like to limit his authority in this area, especially in regard to the judiciary, which in the past has been subject to political control. The financial powers of the presidency are another major target. Under the present system, the president personally controls and releases all public funds. This has given the president enormous coercive influence

25X6

The convention could act in this area by making certain appropriations, like those for the courts and congress, automatic and by strengthening the authority and autonomy of the auditor-general.

Finally, the convention is going to spend a great deal of time discussing the question of

decentralization. The Philippines is a unitary state; jurisdiction over areas such as appointments and licensing, even at the local level, is ultimately exercised by the national executive. For some time there has been strong reformist sentiment to decentralize by allocating more authority and responsibilities to provincial and local governments. After years of debate, discussion, and some grandiose proposals, there are a few signs that some of this enthusiasm is diminishing. An awareness is growing that the delegation of power to lower levels of government that are, in many cases, controlled by provincial political machines and vested interests would not necessarily be such a progressive move. Although the convention will probably institute some measure of decentralization, it is unlikely to go so far as to move to a federal or semifederal system.

President Marcos has not shown his hand on these and other proposals to limit executive power. He certainly is not against all of them and could probably live with them all. His only obvious and immediate interest is the adoption of a provision that will give him the opportunity to stay in office.

#### *Possible Structural Change: The Legislature*

During the past several years civic and university groups, scholars, politicians, and armchair constitutional lawyers have been enthusiastically engaged in studying and rewriting the Philippine constitution. Filipinos have been inundated with books and pamphlets suggesting drastic overhaul of the governmental structure. The principal effect of all this debate and examination seems to have been growing respect for the present constitution, which is patterned basically on the US model, and some realization of the dangers of change for change's sake. The public consensus for change now seems to have jelled along fairly conservative lines, favoring fewer rather than many sweeping changes. There is, however, one substantial and rather questionable structural alteration that the convention may well make—a move to a unicameral legislature. Early on, broad

SECRET

SECRET

25X1

support developed among reformist elements in favor of junking the Senate and creating a unitary national assembly. [REDACTED]

25X6

Also, a lot of chic has been attached to unicameralism as a more efficient and "progressive system," especially within academic circles. Nevertheless, a move to unicameralism remains a dubious reform. The Senate, for all its corruption, has occasionally served as a useful check on the presidency; its abolition would clearly make life easier for the executive. [REDACTED]

25X1

[REDACTED] Ironically, some of the strongest proponents of unicameralism are also bitter enemies of Marcos and advocates of a weakened presidency. The fact that the President and his wife are now actively lobbying for unicameralism and the abolition of the Senate will occasion second thoughts on the part of many reformists. Given the broad support unicameralism presently enjoys among convention delegates, however, its adoption must be considered a strong probability. There is also some talk about giving a unitary national assembly the right to elect the president. This is being put forward by some reformists as the "final solution" to [REDACTED] Philippine presidential elections. A number of delegates have also suggested having the presidential cabinet drawn from the ranks of the National Assembly. Marcos himself is said to be interested in such a mixed presidential-parliamentary system because of the opportunities it would offer to perpetuate himself in power. It now appears that such a scheme will be his fallback position if he encounters too much opposition to his efforts to maintain a grip on the present presidential office. On balance, it seems unlikely that either reformists or politicians would dare to disenfranchise the Filipino people by abolishing direct election of the president. Marcos' interest in the possibilities of such a system, however, means that an attempt toward this scheme can by no means be ruled out.

25X6

### *The Welfare State*

One general topic sure to get a lot of publicity and take up a large amount of the convention's time is the question of how much and what kind of social reform will be written into the new constitution. For several years now there has been widespread agitation for the incorporation of a comprehensive social program in the new constitution. Such a program would include universal free education, health care, land reform, minimum guaranteed wages—in short the entire repertoire of the fully developed social welfare state. A number of reformers and politicians, most notably former president Macapagal, are riding this horse for all it is worth. It would be difficult to find anyone opposed to such politically appealing programs and even more difficult to find the money to pay for them. There is some realization, however, that a constitutional document is not the medium for formulating specific social programs. Even the most sincere and altruistic constitutional convention could come up with little more than a statement of principle vaguely committing the Philippines to eventual achievement of certain social objectives. Such a commitment may be temporarily gratifying but could eventually add to discontent by raising expectations that cannot be met.

### *The Role of Nationalism: US Interests Directly at Stake*

Although the bulk of the convention's attention will be directed at the domestic issues discussed above, anti-US nationalism is still a force in the Philippines and makes for good politics. The convention could move in a number of areas to complicate relations further between Manila and Washington.

On the frequently troublesome issue of US base rights, the outlook currently seems hopeful. At present the question of the US military presence is attracting very little popular attention, although this could change overnight given a new

SECRET

SECRET

25X1



Special Report

- 8 -

11 June 1971

SECRET

SECRET

25X1

incident involving a US serviceman. Recent opinion polls have put the base issue near the bottom of the list of topics the people want the convention to tackle—another reflection of the new, critical public focus on domestic politics. Some convention delegates may generate considerable sound and fury on the base issue, and there will, in all likelihood, be proposals ranging from immediate termination of US base rights to demands for greater Philippine representation in command arrangements and more favorable terms in areas of criminal custody and jurisdiction. Nevertheless, to what extent the convention interjects itself into base questions will largely be up to President Marcos, who appears to want to keep the issue out of the convention. Negotiations between Manila and Washington for revision of the base arrangement have been under way for several months and are proceeding smoothly. Marcos, who has never made any bones about his desire to see the bases remain, now seems to want an agreement concluded quickly in order to prevent or discourage the convention from meddling in this emotional and potentially explosive area.

A much greater problem appears to be shaping up in regard to possible convention decisions on economic policy and especially the question of US "parity" rights. In 1946 the Philippine constitution—under US prompting—was amended to allow Americans to acquire and engage in the exploitation of natural resources and the operation of public utilities until 1974—privileges originally restricted to Philippine nationals. "Parity" has persisted as a symbol of "US economic imperialism" and has been a major fuel for the fire of anti-US nationalism. Convention delegates are now "courageously" demanding that parity be written out of the constitution and not extended beyond 1974. Despite such nationalistic rhetoric designed for public consumption, this has not been a real issue since at least 1965 when the US officially went on record as not favoring an extension of parity rights. Parity, itself, seems destined to die a natural death in 1974, thus depriving Filipino nationalists of one of their favorite whipping boys.

Very much at question, however, is what happens to the assets and operations acquired by Americans in the parity area between 1946 and 1974. The US has taken the position that such "vested rights" do not terminate in 1974. The Philippine Government has taken the opposite position. Before 1974, it says, US investors will have to reduce their equity share to 40 percent; the balance will have to be sold to Filipinos. The constitutional convention could, if it chose to do so, have the last word. In addition to the central question of vested parity rights, the convention also will consider other measures that could jeopardize American investments outside the parity area. There is considerable popular demand that the new constitution incorporate an economic policy of "Filipinization," i.e., mandatory increased participation of Filipinos in the management, employment, or ownership of firms now controlled by foreign interests. "Filipinization" is primarily favored as a means of reducing Chinese involvement in areas such as wholesale and retail trade and credit, but it could conceivably affect all foreign business operations. A measure of support has also been expressed for the nationalization of entire industries such as oil and telecommunications, both areas where there has been considerable US investment.

The threat to US investment aside, such a program of economic nationalism is bound to have a damaging effect on an already shaky Philippine economy. US commercial investment in the Philippines, although small in proportion to total US overseas investment, is significant within the Philippine economy. If the convention does act to eliminate vested parity rights, a considerable chunk of available domestic capital will probably be spent to buy already operating productive facilities rather than invested in new areas. Greater production and new jobs desperately needed in the Philippines will be sacrificed, and chances of new foreign investment will be further dimmed.

How far this fact will go in tempering the convention's decision remains to be seen. For

Special Report

- 9 -

11 June 1971

SECRET

SECRET

25X1

President Marcos, who has not yet shown his hand, economic nationalism represents a real problem. Given the sobering experience of the current Philippine balance-of-payments problem, his administration is in no mood to rock the economic boat. Nevertheless, it cannot be automatically assumed that the convention will be swayed by such rational and pragmatic factors. Even those politicians and convention delegates fully aware of and concerned over the dangers of moving against foreign investment will find it difficult to take a public stand against prevailing nationalist sentiment. More to the real point, Filipino economic nationalism has been and remains, to a large degree, a very convenient invention and tool of the Philippine establishment. Wealthy Filipinos now are very much aware of the buyer's market and fire-sale prices that will no doubt result if American investment is forced out: US divestiture is in their individual interest over the short term, whether or not it is in the national economic interest. Unfortunately, short-term, individual interest is all too often the basis for political decision in the Philippines.

Rising Philippine nationalism quickly spills over into the realm of foreign policy. Although there is relatively little support for neutralism, the appearance of a more independent foreign posture would be welcomed by many Filipinos. There is also growing general interest in the development of diplomatic ties with Communist states. The recent round of "ping-pong diplomacy" in particular raised Philippine fears that Manila, with its hitherto firm anti-Communist line, is being left at the gate. As a result the convention may well adopt a constitutional commitment to peaceful relations with "all states"—a harmless enough measure that should please nearly everyone. There has also been a lot of talk favoring the new constitution redefining Philippine national territory to include Sabah, thus reiterating Manila's claim to the Malaysian state. Given the improving relations between Kuala Lumpur and Manila, it seems likely that President Marcos will finesse this potentially disruptive topic. Also in regard to Philippine national ter-

ritory, Washington and Manila may be on another at least minor collision course. The Philippine Government appears determined to insert into the new constitution its "archipelago theory." This would define as territorial waters all the sea area bounded by the archipelago's outermost islands. This claim, which would restrict or prohibit non-Filipino navigation, fishing, and seabed exploitation in this extensive area, runs directly counter to the US position on law of the sea.

The currently untroubled state of US-Philippine relations could change abruptly. Philippine nationalism, a genuine force in itself, is still subject to manipulation by the elite for political ends. During the Manila student demonstrations in early 1970, for example, President Marcos proved himself perfectly capable of using "red-herring" nationalism to divert dissatisfaction with him to the United States. Through overuse, however, it has become increasingly difficult for Marcos to get away with this tactic. Also, given the embattled political and economic position of the administration, the President is presently strongly inclined to seek and ensure himself of US support. Nevertheless, a deliberate escalation of nationalistic, anti-US rhetoric and action within the convention is possible if Marcos or other establishment elements come to believe that by such means their own self-serving objectives and interests can be obscured.

#### *The Convention Itself: Politics as Usual*

The tack the convention will take in handling the issues discussed above and the many others it may take up cannot be divined at this point. The convention will move slowly, running probably nine months to a year. The first weeks are likely to be confined entirely to procedural and organizational work. In preconvention meetings and seminars, the delegates generally showed a lack of concern in attending to organizational work. Little was accomplished, not even the selection of a convention chairman. The preoccupation of Philippine political parties with the November congressional elections suggests the

SECRET



SECRET

25X1

25X1

convention will not get down to business for some months. There will be plenty of time for opposing forces to test the water and play things by ear. One thing seems clear, however; during the lengthy convention, the traditional rules of rough and tumble Philippine politics will apply. Convention delegates, mostly from rural provincial areas, will be subjected to the persuasive talents of competing lobbies and interest groups, coerced, tempted with offers of money and position and, in general, plied with wine, women, and song. Many issues are likely to be settled in Manila hotel rooms rather than on the convention floor.

Despite the hopes of many advocates of constitutional reform, the convention fell into the patterns of traditional Philippine politics when its 320 delegates were elected last November. Given the special nature of the election and the bad taste lingering from the 1969 irregularities, the campaign was heavily supervised and ostensibly nonpartisan. Inevitably the election did not quite live up to its billing. In the rural barrios, name was far more important than constitutional issue, and the "personal" endorsement of the local political boss determined many races. Most successful candidates were linked to the political parties and vested interests of the establishment. The largest bloc of winners, perhaps an outright majority, was associated one way or another with the Marcos machine. The President, however, did not engage in overkill along the lines of 1969. Enough genuine reformers, independents, and political opponents of Marcos were elected to qualify this election as reasonably honest by recent standards. All in all, the convention make-up mirrors the existing political situation. It reflects not only the great strength of the Marcos machine but also the growing unrest of students, intelligentsia, and other reform elements—a vocal minority that will make the convention something more than a Marcos puppet show.

Since the elections last November, the President has maintained a low public posture, denying any intention to intervene in the convention.

In private, however, he has been actively lobbying among convention delegates, using all the vast powers of persuasion at his disposal. Delegates have been offered large sums of money, commercial concessions, and free trips abroad. The wherewithall for these "gifts" comes from commercial establishments dependent on presidential goodwill and, in particular, Chinese businessmen who are intimidated into donating to the Marcos slush fund. Other less willing delegates have been coerced through threats such as foreclosure of bank loans, loss of jobs by family members, and other methods tantamount to blackmail. By such means, Marcos has obviously been able to pad his delegate support.

Although Marcos has been actively trying to influence the selection of a pliable convention chairman, real power could lie in the convention's working committees—the level where Marcos' numerical advantage is bound to pay off. In any case, clear indications of the extent of Marcos' control should emerge after the convention's organizational structure develops and rules of procedure are adopted.

The pace of the convention will probably depend primarily on Marcos' strategy in regard to next November's senatorial and provincial elections. Marcos is attaching considerable importance to these elections and may even be tempted to engineer a margin of victory along 1969 lines. A big win for his slate would keep his political machine strong and intact. More importantly, it could be used by Marcos as a popular mandate justifying his desire to remain in office. Right now, however, the President is having some difficulty in putting together a strong senatorial slate. His purge of Nacionalista ranks has diminished the number of attractive potential candidates and those that remain are understandably reluctant to run for an office that may very well be abolished by the new constitution. It seems a good possibility that Marcos will attempt to put

SECRET

SECRET

25X1

off the convention's resolution of the presidency issue and other important items until after the November elections.

How effective the anti-Marcos opposition can be in countering presidential manipulation of the convention remains to be seen. Real cooperation between opportunistic politicians, reformers, and the several genuine radicals among the delegates will be difficult to achieve and even harder to maintain. Aware that Marcos is eager to avoid the impression of steam-rolling the convention, the anti-Marcos forces will miss no opportunity to accuse him of precisely that. Public charges of presidential intervention, some based on fact, others probably fabricated, are already a daily occurrence in Manila. The anti-Marcos delegates will no doubt attempt to orchestrate their efforts on the convention floor with outside protest demonstrations. Orchestration or not, there will probably be plenty of action in the streets of Manila during the coming year on the part of both radical groups seeking to disrupt the convention and moderates lobbying for reform.

Aside from simply embarrassing Marcos, the opposition forces also hope to sway enough of his support to turn events in their favor. The anti-Marcos forces, who hail primarily from Manila and other urban areas, as a group will comprise the most skilled and sophisticated parliamentarians in the convention. By contrast, many of the pro-Marcos delegates are inexperienced politicians from the provinces. Their vulnerability to articulate argument, parliamentary finesse, and outside protests and pressure could conceivably weaken Marcos' control. Most realistic observers, however, believe that the President will nevertheless have the votes to control the convention—at least on the issues he considers vital. How determined Marcos is to use these votes to extend himself in office, regardless of the public uproar it would cause, is a question he has not yet answered himself.

### *The Stakes Involved*

The real significance of the convention lies in the effect it will have on the future development of the Philippines as a stable and democratic nation. In recent years the traditional Philippine political process has come under criticism, and the strains are beginning to show. Some establishment members now accuse President Marcos of threatening the system by his very success in playing the game and by his refusal to share wealth and power by stepping down gracefully. This jealous complaint is somewhat justified, but the real challenge to the traditional political system comes from a new dynamic of change and unrest in Philippine society. Disaffection is currently centered in the student movement but is also beginning to run through the liberal wing of the church, the intelligentsia, and the educated middle class in general. 25X6

This new mood is still largely confined to Manila and other urban areas.

What is happening in Manila—the political, educational, and cultural center of the Philippines—is, however, far more pertinent than the status quo situation that exists in much of the rest of the country. The city has all the ingredients for unrest and rebellion—tremendous and growing disparity between rich and poor, an economically depressed and dissatisfied labor force, and the general air of urban crisis shared by many great cities. Most importantly, it has a university student population of over 300,000, who believe they are economically exploited (higher education in the Philippines is largely private and profitable). The current trend toward mass action and confrontation politics, so alien to Philippine tradition, is unlikely to be reversed. It has already shaken the establishment, and future Philippine Governments will have increasing difficulty in coming to terms with Manila and its new assertiveness. Marcos is the first president of the Philippines to run into the fact that building a

SECRET

SECRET

25X1

powerful political machine and the ability to control national elections are no longer enough to govern comfortably and effectively.

In planning his moves in regard to the convention, Marcos will have to evaluate their effect on the student/reformist movement and the situation in Manila. Exactly how he assesses this problem and the constraints it places on him is unclear, but there are disturbing signs that the President, increasingly isolated and surrounded by "yes" men, does not have a good appreciation of the depth and nature of the popular disenchantment with him. In the past, Marcos has sought to dismiss the student movement as simply a Communist plot

In the final analysis he seems to have interpreted it mainly as a personal affront. There is certainly little in his past record or current plans to indicate that he sees growing student and reformist activism as expressive of sincere and potentially dangerous public dissatisfaction with his and previous Philippine administrations.

25X6

During the past year Marcos has been carefully firming up his lines to the military and assuring himself of its loyalty. He has told his top military commanders and civilian advisers that he will not hesitate to invoke martial law in Manila or even suspend the constitutional convention should disruptive protest demonstrations break out. Upon the President's direction, a contingency plan for military rule has been prepared that includes the take-over of Manila's mass media establishment. This, of course, can be seen as simple prudence on the part of a president determined to uphold order during the course of the convention. More cynically, it can also be seen as an indication that Marcos is determined to get what he wants from the convention and is taking the steps necessary to deal with anticipated demonstrations in Manila. Reaction to a power play by Marcos would be one of outrage, but,

even though there is an air of rebellion in Manila, a revolutionary situation does not exist. The student movement, for all of its troublemaking potential, remains immature, fractious, and ideologically divided. Although an extended period of running confrontation in the streets might well result, the government should be able to maintain control of the situation. In the aftermath, however, a far greater security problem might exist in Manila than hitherto. Martial law and/or the suspension of the convention would almost certainly further radicalize the student movement, broaden the base of violent opposition, and, in general, present a golden opportunity to Communist agitators and organizers.

Marcos might still decide against pushing his ambitions to the point of provoking a period of turmoil. He still has his options open, and there is still time to display statesmanship by abandoning his efforts to retain power. He might yet decide that the presidency is not worth having under the anticipated grim circumstances. Conversely, it is by no means certain that the students and other reform elements have the strength and determination to challenge effectively presidential manipulation of the convention or make it necessary for Marcos to resort to repression.

Whatever the case, this much seems clear: at a time when anti-Marcos feeling and popular demand for reform are coalescing and reaching a peak, the President is at the moment planning to tailor the new constitution to his personal political ambitions. If he successfully follows through with these plans, there are bound to be adverse implications for future Philippine political development. Such a shabby ending to years of enthusiasm for constitutional revision would go far toward destroying moderate faith in the system's capacity for self-reform, place further strains on the traditional Philippine political process, and in all likelihood usher in a new and uncertain period of sharpened popular disaffection.

\* \* \*

25X1

SECRET